

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-56711; File No. SR-NYSE-2007-83)

October 26, 2007

Self-Regulatory Organizations; New York Stock Exchange LLC; Order Granting Approval of Proposed Rule Change Relating to NYSE Rule 104.10 ('Dealings by Specialists')

On September 14, 2007, the New York Stock Exchange LLC ('NYSE' or 'Exchange') filed with the Securities and Exchange Commission ('Commission'), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ('Act'),¹ and Rule 19b-4 thereunder,² a proposed rule change to (i) extend the duration of its pilot program applicable to 'Conditional Transactions' as defined in NYSE Rule 104.10 ('Dealings by Specialists') to March 31, 2008;³ (ii) remove the 'active securities'⁴ limitation on Conditional Transactions that establish or increase a specialist's position and reach across the market to transact with the NYSE's published quote; and (iii) make certain conforming changes to NYSE Rule 104.10(5). The proposed rule change was published for comment in the Federal Register on September 25, 2007.⁵ The Commission received no comments on the proposal. This order approves the proposed rule change.

¹ 15 U.S.C 78s(b)(1).

² 17 CFR 240.19b-4.

³ A 'Conditional Transaction' is defined as a specialist transaction in an active security that establishes or increases a position and reaches across the market to trade as the contra-side to the Exchange published bid or offer. See NYSE Rule 104.10(6)(ii) (which is renumbered pursuant to this proposal as NYSE Rule 106.10(6)(i)).

⁴ Original NYSE Rule 104.10(6)(i) defines 'active securities' as: (a) securities comprising the S&P 500 Index; (b) securities traded on the Exchange during the first five trading days following their initial public offering; and (c) securities that have been designated as 'active' by a Floor Official pursuant to the parameters set forth in the rule. In general, a governing Floor Official may designate a security as 'active' by determining, among other things, that the security in question has exhibited substantially greater than normal trading volume and is likely to continue to sustain such higher volume during the remainder of the trading session.

⁵ See Securities Exchange Act Release No. 56455 (September 18, 2007), 72 FR 54499 ('Notice').

